

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**BOARD OF ADMINISTRATION**

**INVESTMENT COMMITTEE**

**February 14, 2011**

**Chief Investment Officer's**

**Consolidated Investment Activity Report**

**(November 2010 Reporting Period)**

## CalPERS Asset Allocation – November 30, 2010

### General Market Commentary

Despite signs that the U.S. economy is climbing towards recovery, there remain lingering signs that the recession isn't quite over. Private sectors continue to lead the charge towards recovery. However, the unemployment rate continues to hover around 9.8%. GDP continues to slowly climb up with the help of the American Recovery and Reinvestment act which provides additional income to consumers and businesses to reinvest into the economy. The trade deficit gap continues to be quite noticeable because U.S. exports are not rising as quickly as imports continue to do. Retail sales continue to pick up steam heading into the critical month of December. The U.S. Dollar continues to strengthen against foreign currencies. If this is any indication, the worst might actually be behind us.

### Domestic and International Equities

The S&P 500 index return was flat for the month at 0.0%. Small-cap stocks, as measured by the Wilshire Small Cap Index, were up 3.5% for the month. Large-cap growth stocks returned 0.6% while large-value stocks returned -0.2% for the month of November (as measured by the Wilshire Large Growth and Value). International equities were down, with the MSCI EAFE down -4.8% in dollar terms and (-1.0% in local currency). Emerging markets were down at -2.6% in dollar terms (as measured by the MSCI EM Index) during the month.

### Domestic and International Fixed Income

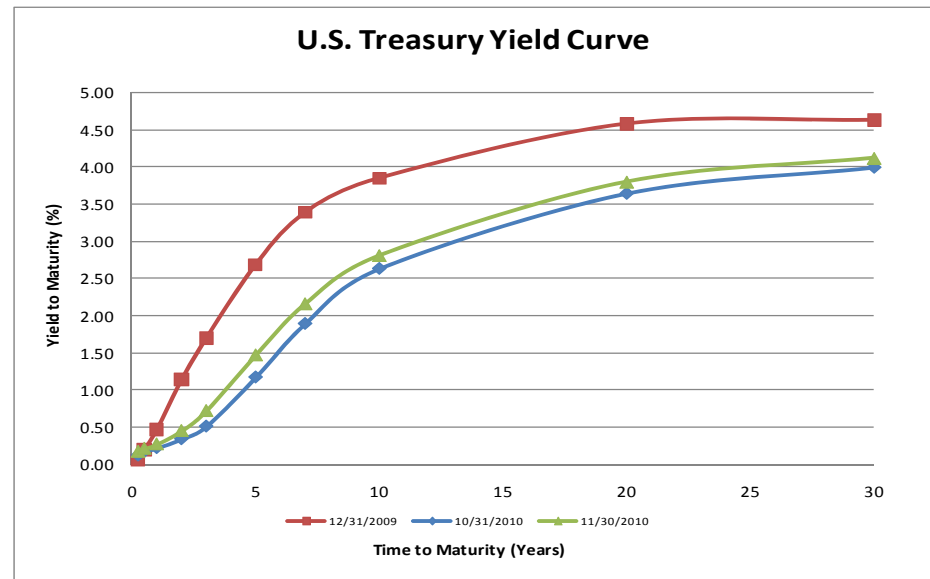
The Barclays Capital Aggregate Bond Index returned -0.6% for November, equaling the US Treasury return of -0.6% (as measured by BC Intermediate Treasury Index). The BC Long Term Treasury Index returned -1.3% despite yields on 30-year Treasury bonds being up from the previous month. U.S. TIPS returned -1.7% (BC U.S. TIPS Index) during November. The high yield bond market returned -1.1% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned -4.8% while the dollar was up against the euro, pound and the yen as measured by the Citigroup World Government Bond Index ex US (unhedged).

### Real Estate

Public real estate (as measured by the Wilshire US RESI Index) was negative with a return of -1.6% in November. The NCREIF Index of Real Estate Properties returned 3.9% for the quarter ended September 2010.

### Absolute Return Strategies

Absolute Return Strategies (HFRI Fund to Funds Index) returned -0.5% in November and 3.8% for the 12 months ended November 2010.



MARKET INDICATORS	12/31/2009	Direction	10/31/2010	Direction	11/30/2010
1Month LIBOR (fixed in \$)	0.25%	↑	0.81%	↓	0.75%
Federal Funds	0.00%-0.25%	-	0.00%-0.25%	-	0.00%-0.25%
10Y Treasury Note Yield	3.85%	↓	2.63%	↑	2.81%
30Y Treasury Bond Yield	4.63%	↓	3.99%	↑	4.12%
Wilshire 5000 Comp	11,497.40	↑	12,412.30	↑	12,464.30
S&P 500	1,115.10	↑	1,183.26	↓	1,180.55
NASDAQ Composite	2,291.28	↑	2,507.41	↓	2,498.23
FTSE 100 Index	5,412.90	↑	5,675.20	↓	5,528.30
Nikkei 225 Index	10,546.44	↓	9,202.45	↑	9,937.04
Yen/\$ (Dollar Strength)	93.095	↓	80.55	↑	83.77
Euro/\$ (Dollar Strength)	0.700	↑	0.719	↑	0.768
GBP/\$ (Dollar Strength)	0.619	↑	0.625	↑	0.642
Crude Oil per Barrel	\$79.40	↑	\$ 81.43	↓	\$81.11
Gold (\$/oz Daily Spot)	\$1,087.5 0	↑	\$1,346.75	↑	\$1,383.50
GS Commodities TR Index	4,534.12	↓	4,518.55	↑	4,518.55

## CalPERS Asset Allocation – November 30, 2010

### Summary

- Total Fund Market Value was \$216.3 Billion
- Total Fund Book Value was \$197.4 Billion
- As of November 30, 2010, all asset classes were within their Strategic Target Policy Ranges.

### Book to Market Value Comparison

	Book Value <sup>2</sup> (\$ Billion)	Market Value <sup>3</sup> (\$ Billion)	Difference (Market – Book) (\$ Billion)
Domestic Equity <sup>1</sup>	\$38.1	\$52.1	\$14.0
International Equity	\$56.7	\$59.0	\$2.3
<b>Global Equity</b>	<b>\$94.7</b>	<b>\$111.1</b>	<b>\$16.4</b>
Domestic Fixed Income	\$33.9	\$44.8	\$10.9
International Fixed Income	\$3.1	\$3.3	\$0.1
<b>Global Fixed Income</b>	<b>\$37.1</b>	<b>\$48.1</b>	<b>\$10.9</b>
<b>AIM</b>	<b>\$33.0</b>	<b>\$31.1</b>	<b>\$-1.9</b>
<b>Real Estate</b>	<b>\$22.3</b>	<b>\$15.3</b>	<b>\$-7.0</b>
<b>Inflation Linked</b>	<b>\$6.3</b>	<b>\$6.5</b>	<b>\$0.3</b>
<b>Cash Equivalents</b>	<b>\$3.9</b>	<b>\$4.1</b>	<b>\$-0.2</b>
<b>Total Fund</b>	<b>\$197.4</b>	<b>\$216.3</b>	<b>\$18.9</b>

<sup>1</sup> Included is MDP Investment - LM Capital Investment: Total Book Value=\$237.5 million, Total Market Value=\$248.6 million.

<sup>2</sup> Total value of assets at cost minus liabilities.

<sup>3</sup> Total value of assets at market.

\* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

### Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

## CalPERS Top 20 Company Holdings

Global Equity & Global Fixed Income <sup>2</sup>

Market Values as of 11/30/2010 <sup>1</sup>

		Global Equity <sup>3</sup>			Global Fixed <sup>4</sup> Income	Total	
	Company Name	Internally Managed	Externally Managed	Total Equity	Total Fixed Income	Market Value	% of Total Fund
1	EXXON MOBIL CORP	\$864.0	\$128.1	\$992.0	\$0.0	\$992.0	0.46%
2	APPLE INC	\$637.4	\$127.5	\$764.9	\$0.0	\$764.9	0.36%
3	GENERAL ELECTRIC CO	\$393.5	\$56.2	\$449.7	\$211.0	\$660.8	0.31%
4	AT&T INC	\$405.2	\$51.4	\$456.6	\$195.1	\$651.7	0.30%
5	JPMORGAN CHASE & CO	\$351.9	\$59.2	\$411.2	\$216.8	\$628.0	0.29%
6	MICROSOFT CORP	\$531.9	\$95.2	\$627.1	\$0.0	\$627.1	0.29%
7	NESTLE SA	\$485.8	\$128.0	\$613.8	\$0.0	\$613.8	0.29%
8	WELLS FARGO & CO	\$336.6	\$52.8	\$389.5	\$212.2	\$601.7	0.28%
9	BANK OF AMERICA CORP	\$254.9	\$47.4	\$302.2	\$249.3	\$551.5	0.26%
10	CITIGROUP INC	\$252.1	\$40.4	\$292.5	\$229.4	\$521.8	0.24%
11	WAL MART STORES INC	\$374.7	\$32.1	\$406.9	\$99.4	\$506.3	0.24%
12	HSBC HOLDINGS PLC	\$455.4	\$38.5	\$493.9	\$0.0	\$493.9	0.23%
13	INTL BUSINESS MACHINES	\$417.6	\$51.1	\$468.7	\$0.0	\$468.7	0.22%
14	PROCTER & GAMBLE CO	\$400.6	\$56.0	\$456.6	\$0.0	\$456.6	0.21%
15	GOLDMAN SACHS GROUP INC	\$187.3	\$50.1	\$237.4	\$216.6	\$454.0	0.21%
16	CHEVRON CORP	\$394.1	\$59.7	\$453.8	\$0.0	\$453.8	0.21%
17	VERIZON COMMUNICATIONS INC	\$222.4	\$23.4	\$245.8	\$202.1	\$447.9	0.21%
18	JOHNSON & JOHNSON	\$398.3	\$43.0	\$441.3	\$0.0	\$441.3	0.21%
19	PFIZER INC	\$294.7	\$51.9	\$346.6	\$70.5	\$417.1	0.19%
20	VODAFONE GROUP PLC	\$337.5	\$67.0	\$404.5	\$0.0	\$404.5	0.19%

<sup>1</sup> In millions

<sup>2</sup> Only includes Global Equity & Fixed Income assets custodied with master custodian

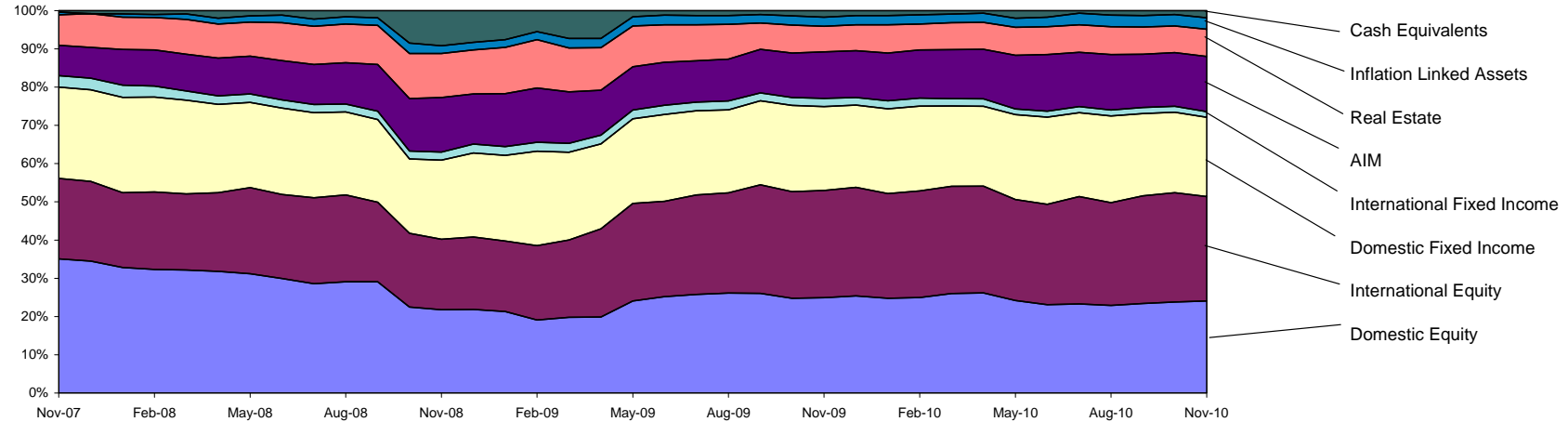
<sup>3</sup> Source for Global Equity values: State Street Bank

<sup>4</sup> Source for Global Fixed Income values: Blackrock Solutions

# CalPERS

## Asset Allocation as of November 30, 2010

Total Fund Market Value: **\$216,272,126,505**



	Global Equity <sup>2</sup>	Domestic Equity <sup>2</sup>	International Equity <sup>2</sup>	Global Fixed	Domestic Fixed	International Fixed <sup>3</sup>	AIM	Real Estate	Inflation Linked	Cash Equivalents <sup>2</sup>	Total Fund
<b>Strategic Target Range %</b>	<b>44-54%</b>			<b>15-25%</b>			<b>9-19%</b>	<b>5-15%</b>	<b>2-5%</b>	<b>0-5%</b>	
Strategic Target %	49.0%	24.5%	24.5%	20.0%	18.0%	2.0%	14.0%	10.0%	5.0%	2.0%	N/A
Actual Investment %	51.4%	24.1%	27.3%	22.2%	20.7%	1.5%	14.4%	7.1%	3.0%	1.9%	N/A
Variance % (Strategic vs. Actual)	2.4%	(0.4%)	2.8%	2.2%	2.7%	(0.5%)	0.4%	(2.9%)	(2.0%)	(0.1%)	N/A
Strategic Target \$ <sup>1</sup>	\$106.0	\$53.0	\$53.0	\$43.3	\$38.9	\$4.3	\$30.3	\$21.6	\$10.8	\$4.3	\$216.3
Actual Investment \$ <sup>1</sup>	\$111.1	\$52.1	\$59.0	\$48.1	\$44.8	\$3.3	\$31.1	\$15.3	\$6.5	\$4.1	\$216.3
Variance \$(Strategic vs. Actual) <sup>1</sup>	\$5.1	(\$0.9)	\$6.0	\$4.8	\$5.9	(\$1.0)	\$0.8	(\$6.3)	(\$4.3)	(\$0.2)	N/A
% Passive	67.7%	67.4%	68.0%	0.0%	0.0%	0.0%	0.0%	7.5%	0.0%	0.0%	34.8%
% Active	32.3%	32.6%	32.0%	100.0%	100.0%	100.0%	100.0%	92.5%	100.0%	100.0%	65.2%
% Internal	76.9%	78.5%	75.6%	89.9%	96.5%	0.0%	0.0%	7.5%	57.1%	100.0%	63.7%
% External	23.1%	21.5%	24.4%	10.1%	3.5%	100.0%	100.0%	92.5%	42.9%	0.0%	36.3%

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\* When summing amounts on this report, there may be breakage.

\* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

<sup>1</sup> (\$ Billion)

<sup>2</sup> Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and Domestic Fixed Income Transition Account is included in Domestic Fixed Income

<sup>3</sup> Closed fund SWEW is included in International Fixed Income but not in the performance figures

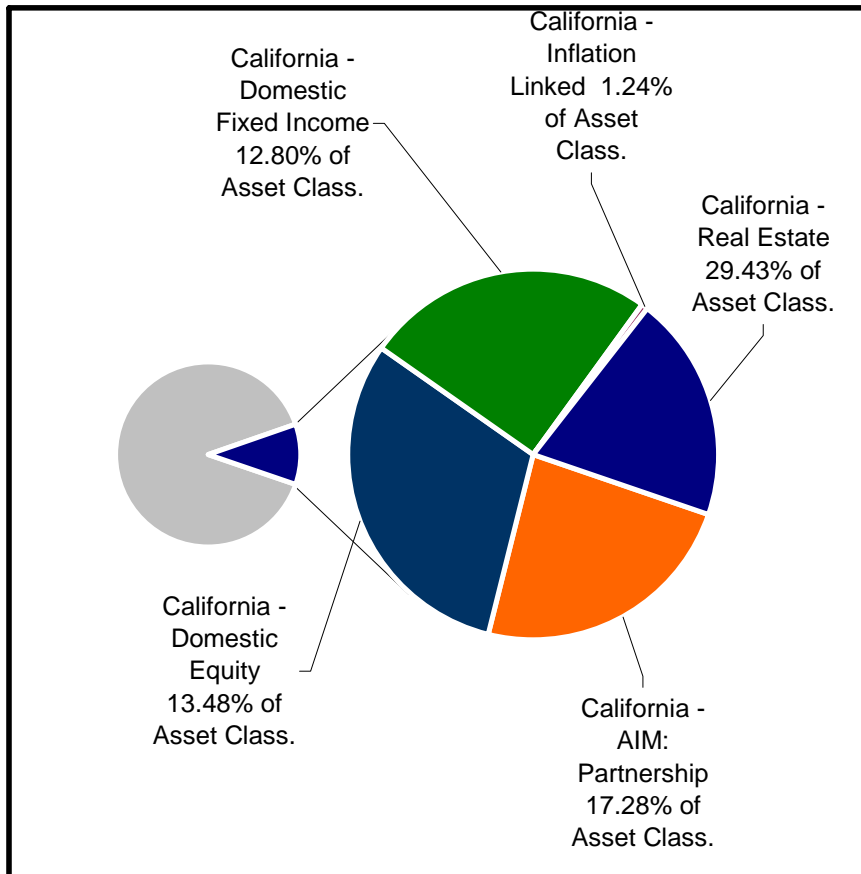
Private Market Commitment as of November 30, 2010									
AIM					Real Estate				
Funded	\$(in Billions)	% Allocation	Target Range		Funded	\$(in Billions)	% Allocation	Target Range	
Fair Market Value (FMV)	\$31.12	14.39%	9-19%		Fair Market Value (FMV)	\$15.34	7.09%	5-15%	
Unfunded Commitment	<u>\$16.50</u>	<u>7.63%</u>			Unfunded Commitment (as of 10/31/10)	<u>\$6.88</u>	<u>3.18%</u>		
Fair Market Value plus Unfunded Commitment	\$47.62	22.02%			Fair Market Value plus Unfunded Commitment	\$22.21	10.27%		
Infrastructure					Forestland				
Funded	\$(in Billions)	% Allocation	Target Range		Funded	\$(in Billions)	% Allocation	Target Range	
Fair Market Value (FMV)	\$43	0.20%	0-3%		Fair Market Value (FMV)	\$2.36	1.09%	0-2%	
Unfunded Commitment	<u>\$44</u>	<u>0.20%</u>			Unfunded Commitment	<u>\$02</u>	<u>0.01%</u>		
Fair Market Value plus Unfunded Commitment	\$87	0.40%			Fair Market Value plus Unfunded Commitment	\$2.38	1.10%		

## CalPERS Investments in the State of California – November 30, 2010

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

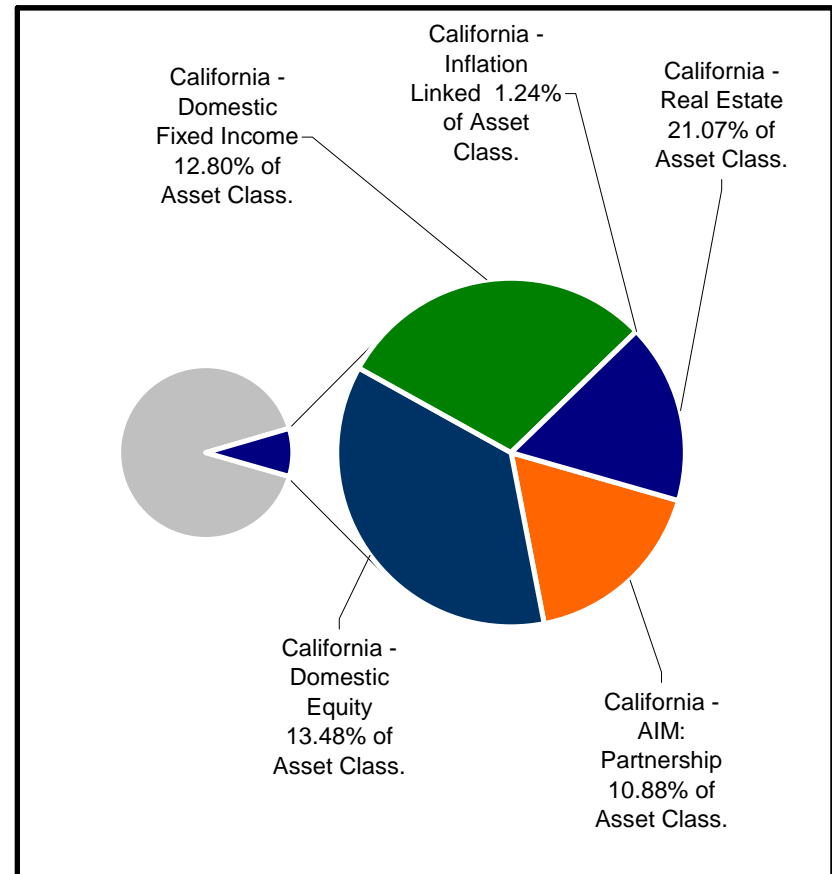
### California Investments plus Additional Commitments

Current California Commitments at 11/30/2010 Total Fund %: 10.51%



### California Investments

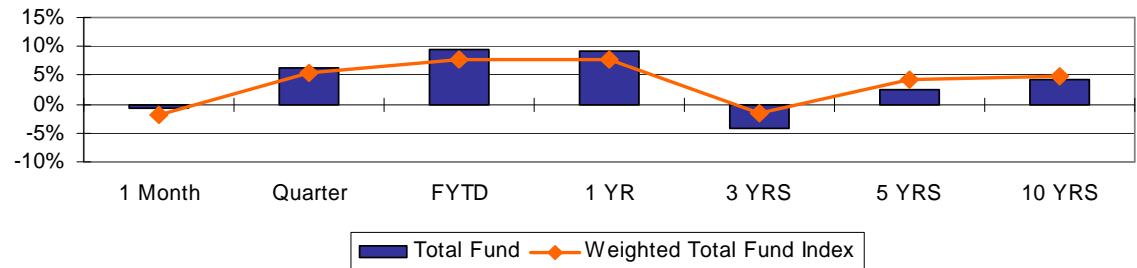
Current California Investments at 11/30/2010 Total Fund %: 9.00%



## Performance Summary – November 30, 2010

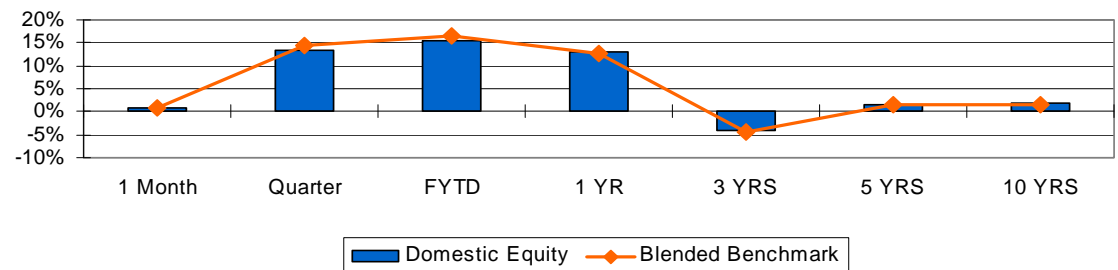
### Total Plan:

Net Total Fund returns have outperformed the actual Weighted Total Fund Index in all time periods except the three-year, five-year and ten-year periods. Ten-year net returns were 4.11% versus 4.78% for the Actual Weighted Index.



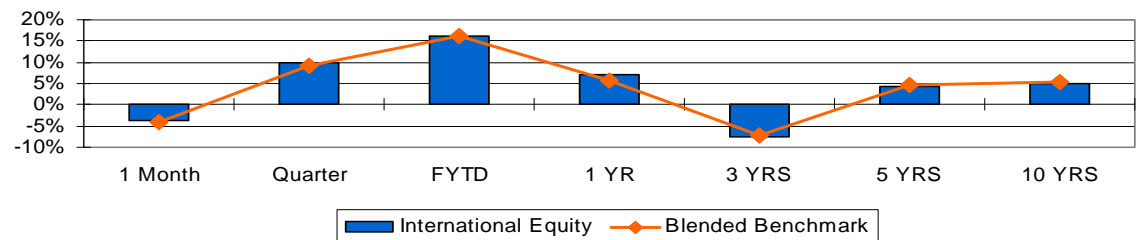
### Domestic Equity:

Net Domestic Equity returns have outperformed the blended benchmark in all time periods except the one-quarter and the fiscal-year-to-date periods. Ten-year net returns were 1.92% versus 1.65% for the blended benchmark.



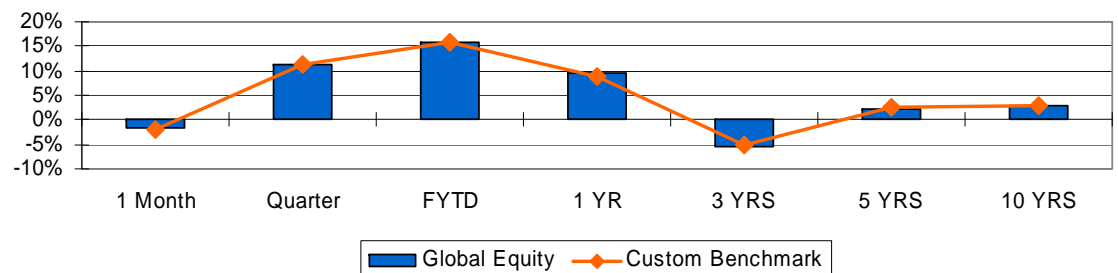
### International Equity:

Net International Equity returns have outperformed the blended benchmark in all time periods except the three-year, five-year and ten-year periods. Ten-year net returns were 5.14% versus 5.36% for the blended benchmark.



### Global Equity:

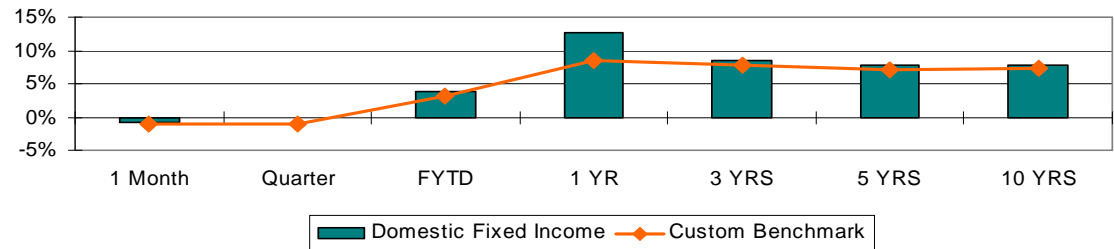
Net Total Global Equity returns have underperformed the benchmark in all time periods except the one-month, one-quarter and one-year periods. Ten-year net returns were 2.91% versus 2.95% for the blended benchmark.



## Performance Summary – November 30, 2010

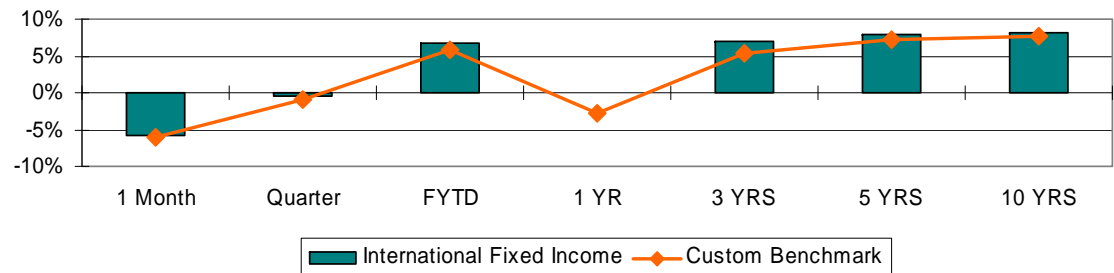
### Domestic Fixed Income:

Net Domestic Fixed Income returns have outperformed the benchmark in all time periods. Ten-year net returns were 7.86% versus 7.23% for the benchmark.



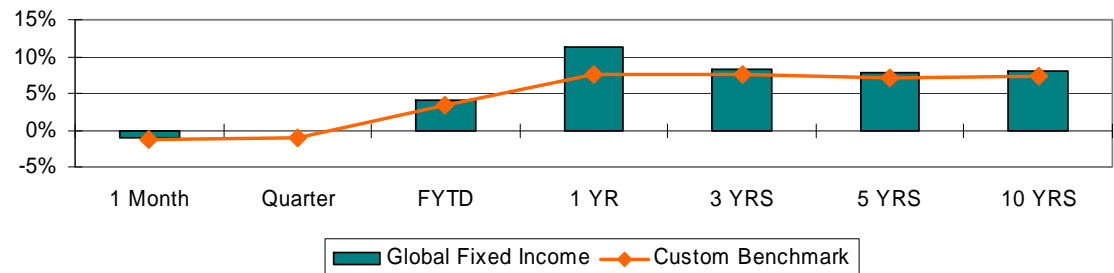
### International Fixed Income:

Net International Fixed Income returns have outperformed the benchmark in all time periods. Ten-year net returns were 8.08% versus 7.57% for the benchmark.



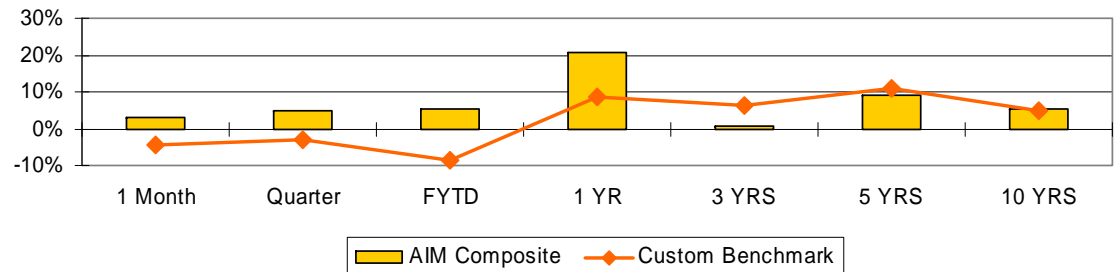
### Global Fixed Income:

Net Global Fixed Income returns have outperformed the benchmark in all time periods. Ten-year net returns were 7.95% versus 7.31% for the benchmark.



### AIM Composite:

Net AIM Composite returns have outperformed the custom blended benchmark in all time periods except the three-year and five-year periods. Ten-year net returns were 5.24% versus 4.77% for the benchmark.

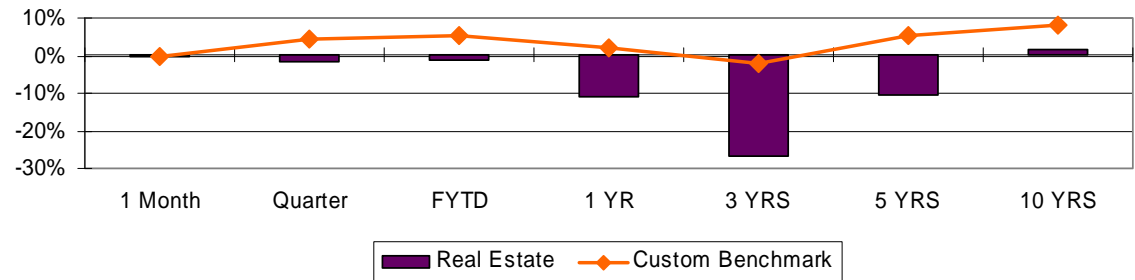




## Performance Summary – November 30, 2010

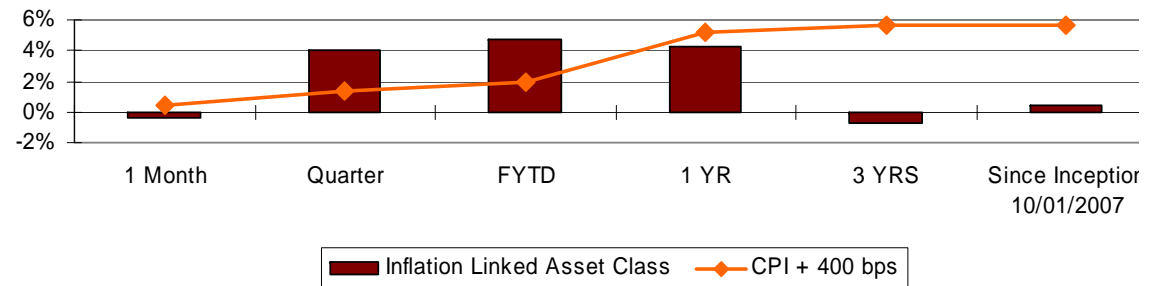
### Real Estate:

Net Total Real Estate returns have underperformed the benchmark in all time periods. Ten-year net returns were 1.78% versus 7.97% for the benchmark.



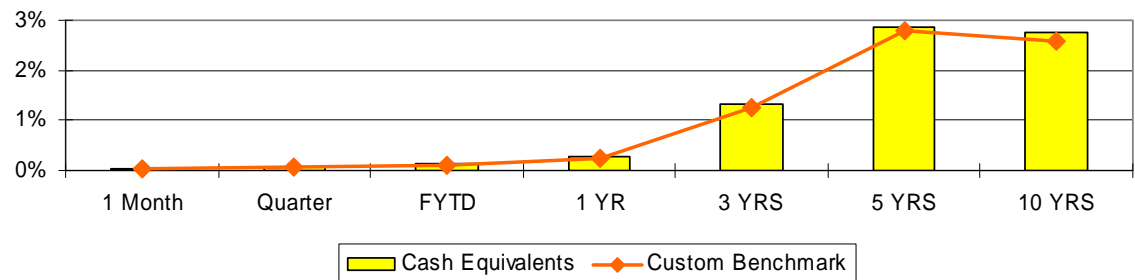
### Inflation Linked Assets:

Net returns for the Inflation Linked Assets portfolio have underperformed the benchmark in all time periods except the one-quarter and fiscal-year-to-date periods. Since inception net returns were 0.49% versus 5.67% for the benchmark.



### Cash Equivalents:

Net returns for the Cash Equivalents portfolio have outperformed the benchmark in all time periods. Ten-year net returns were 2.76% versus 2.57% for the custom benchmark.



# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2010

## CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
<b>TOTAL DOMESTIC EQUITY</b>	22.8	49,389,170	0.73	13.59	15.45	13.21	-3.93	1.67	1.97
<i>CALPERS CUSTOM FTSE TMI (BLENDED)</i>			0.64	14.44	16.56	12.54	-4.38	1.50	1.65
<b>TOTAL INTL EQUITY</b>	27.2	58,755,031	-3.70	9.77	16.12	7.10	-7.40	4.20	5.20
<i>CALPERS FTSE ALL-WORLD EX US</i>			-3.94	9.36	16.02	5.58	-7.28	4.73	5.36
<b>TOTAL GLOBAL EQUITY EQUITIZATION</b>	1.3	2,715,606	-2.36	10.87	15.47	4.97			
<b>TOTAL GLOBAL EQUITY</b>	51.3	110,859,807	-1.74	11.47	15.87	9.57	-5.54	2.35	2.96
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-1.82	11.23	15.85	8.76	-5.17	2.72	2.95
<b>TOTAL DOMESTIC FIXED INCOME</b>	20.3	43,992,171	-0.73	-0.14	3.93	12.62	8.49	7.85	7.86
<i>CALPERS CUSTOM BC LPF (DAILY)</i>			-0.98	-0.97	3.12	8.52	7.77	7.10	7.23
<b>TOTAL INTL FIXED INCOME</b>	1.5	3,277,655	-5.80	-0.37	6.71	0.11	7.02	8.08	8.17
<i>CALPERS WORLD GOVT X US</i>			-6.03	-0.94	5.75	-2.87	5.29	7.18	7.57
<b>TOTAL GLOBAL FIXED INCOME</b>	21.9	47,269,827	-1.10	-0.16	4.11	11.33	8.37	7.90	7.97
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			-1.39	-0.95	3.34	7.60	7.59	7.19	7.31
<b>TOTAL AIM COMPOSITE</b>	14.4	31,121,717	2.96	4.69	5.42	20.67	0.48	9.06	5.25
<i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>			-4.44	-3.06	-8.39	8.81	6.42	10.91	4.77
<i>WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR</i>			-4.44	-3.06	-8.39	8.81	-5.41	2.39	1.61
<b>TOTAL REAL ESTATE</b>	7.1	15,337,472	-0.33	-1.25	-0.67	-9.89	-25.56	-8.63	4.27
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			-0.27	4.30	5.56	2.25	-2.26	5.37	7.97
<b>TOTAL INFLATION LINKED</b>	3.0	6,523,510	-0.36	4.08	4.75	4.76	-0.32		
<i>CPI+400 BPS 1 MONTH LAGGED</i>			0.45	1.31	1.90	5.22	5.60		
<b>TOTAL CASH EQUIVALENTS</b>	1.8	3,893,898	0.02	0.08	0.14	0.28	1.31	2.85	2.76
<i>PERS CUSTOM STIF NET OF FEES</i>			0.02	0.07	0.12	0.24	1.24	2.79	2.57
<b>CURRENCY + ASSET ALLOC TRANSITION</b>	0.6	1,265,895							
<b>TOTAL FUND</b>	100.0	216,272,127	-0.63	6.22	9.41	9.34	-4.14	2.76	4.33
<i>CALPERS POLICY INDEX</i>			-1.75	5.50	8.51	8.97	0.01	5.17	5.12
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-1.87	5.31	7.81	7.74	-1.69	4.19	4.78

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)

Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2010

## CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
<b>TOTAL DOMESTIC EQUITY</b>	22.8	49,389,170	0.68	13.53	15.38	13.11	-4.01	1.60	1.92
<i>CALPERS CUSTOM FTSE TMI (BLENDED)</i>			0.64	14.44	16.56	12.54	-4.38	1.50	1.65
<b>TOTAL INTL EQUITY</b>	27.2	58,755,031	-3.70	9.76	16.09	7.05	-7.45	4.14	5.14
<i>CALPERS FTSE ALL-WORLD EX US</i>			-3.94	9.36	16.02	5.58	-7.28	4.73	5.36
<b>TOTAL GLOBAL EQUITY EQUITIZATION</b>	1.3	2,715,606	-2.36	10.87	15.47	4.97			
<b>TOTAL GLOBAL EQUITY</b>	51.3	110,859,807	-1.77	11.43	15.83	9.50	-5.60	2.29	2.91
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-1.82	11.23	15.85	8.76	-5.17	2.72	2.95
<b>TOTAL DOMESTIC FIXED INCOME</b>	20.3	43,992,171	-0.73	-0.14	3.93	12.62	8.49	7.85	7.86
<i>CALPERS CUSTOM BC LPF (DAILY)</i>			-0.98	-0.97	3.12	8.52	7.77	7.10	7.23
<b>TOTAL INTL FIXED INCOME</b>	1.5	3,277,655	-5.81	-0.41	6.66	0.02	6.90	7.99	8.08
<i>CALPERS WORLD GOVT X US</i>			-6.03	-0.94	5.75	-2.87	5.29	7.18	7.57
<b>TOTAL GLOBAL FIXED INCOME</b>	21.9	47,269,827	-1.10	-0.17	4.10	11.33	8.36	7.88	7.95
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			-1.39	-0.95	3.34	7.60	7.59	7.19	7.31
<b>TOTAL AIM COMPOSITE</b>	14.4	31,121,717	2.96	4.69	5.42	20.66	0.47	9.05	5.24
<i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>			-4.44	-3.06	-8.39	8.81	6.42	10.91	4.77
<i>WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR</i>			-4.44	-3.06	-8.39	8.81	-5.41	2.39	1.61
<b>TOTAL REAL ESTATE</b>	7.1	15,337,472	-0.33	-1.58	-1.00	-10.86	-26.71	-10.68	1.78
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			-0.27	4.30	5.56	2.25	-2.26	5.37	7.97
<b>TOTAL INFLATION LINKED</b>	3.0	6,523,510	-0.36	4.01	4.68	4.27	-0.71		
<i>CPI+400 BPS 1 MONTH LAGGED</i>			0.45	1.31	1.90	5.22	5.60		
<b>TOTAL CASH EQUIVALENTS</b>	1.8	3,893,898	0.02	0.08	0.14	0.28	1.31	2.85	2.76
<i>PERS CUSTOM STIF NET OF FEES</i>			0.02	0.07	0.12	0.24	1.24	2.79	2.57
<b>CURRENCY + ASSET ALLOC TRANSITION</b>	0.6	1,265,895							
<b>TOTAL FUND</b>	100.0	216,272,127	-0.64	6.17	9.35	9.21	-4.31	2.54	4.11
<i>CALPERS POLICY INDEX</i>			-1.75	5.50	8.51	8.97	0.01	5.17	5.12
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-1.87	5.31	7.81	7.74	-1.69	4.19	4.78

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)  
 AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)  
 Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

## Operations/Policy Violations/Activity Reports/Placement Agent Fees

### Closed Session Transactions

- There were zero closed session transactions reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

### Investment Policy Violations

- According to policy requirements, the following is a summary of investment policy violations extracted from the quarterly reports prepared for Investment Committee consideration. Executive Summaries and full reports are available in the Supplemental Reporting Document.

### Global Equity, AIM, ILAC, Cash Equivalents, Supplemental Income Plans, Fixed Income

Report Containing Violation	Violation Description
No items to report	

### Items Completed Under Delegated Authority

- According to policy requirements, the following is a summary of items completed under delegated authority extracted from the reports prepared for Investment Committee consideration. Full reports are available in the Supplemental Reporting Document.

### Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance, ILAC, AIM

Investment	Commitment
No items to report	

### Activity Reports

- Staff prepares activity reports for the AIM, Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance and Inflation Linked Asset Class Programs. Detailed reports and investment summaries for these programs are included in the supplemental reporting document.

### AIM Activity Report

Activity	Month	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	14	442	349	295	312	8,188
Declined/Referred/Failed to Materialize	22	387	339	245	333	6,708
Deals in Screening	44	442	349	295	318	5,218
Due Diligence Reviews	7	76	31	12	12	818

### Real Estate Investments Activity Report:

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception *
Investment Proposals Entered	14	N/A	N/A	138	23	126	287
Declined/Referred/Failed to Materialize	20	N/A	N/A	120	29	113	262
Deals in Screening	22	N/A	N/A	24	33	66	123
Due Diligence Reviews	0	N/A	N/A	3	0	0	3
* As of January 2, 2008							

## Operations/Policy Violations/Activity Reports/Placement Agent Fees

### Activity Reports (cont.)

#### Risk Managed Absolute Return Strategies Program Activity Report

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	0	69	90	118	66	0	900
Declined/Referred/Failed to Materialize	0	1	0	0	0	0	243
Deals in Screening	2	68	90	118	66	20	665
Due Diligence Reviews	2	68	90	118	66	20	665
Allocations Approved by RMARS Board	0	52	66	31	0	11	217
New ARD Funds Approved by RMARS Board	0	9	8	3	0	0	44
Funded Investments (\$ Millions)	\$0	\$1,809	\$2,499	\$1,069	\$0	\$510	\$7,399

#### Corporate Governance Activity Report

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception *
Investment Proposals Entered	0	N/A	N/A	7	1	1	9
Declined/Referred/Failed to Materialize	0	N/A	N/A	6	13	11	30
Deals in Screening	N/A	N/A	N/A	N/A	N/A	0	0
Due Diligence Reviews	0	N/A	N/A	13	14	12	39
* As of April 1, 2008							

#### Inflation Linked Asset Class Activity Report - Infrastructure

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	13	N/A	12	57	52	100	221
Declined/Referred/Failed to Materialize	11	N/A	N/A	11	58	97	166
Deals in Screening	55	N/A	12	57	52	100	221
Due Diligence Reviews	0	N/A	N/A	0	4	2	6

#### Inflation Linked Asset Class Activity Report - Forestland

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	1	N/A	N/A	9	5	7	21
Declined/Referred/Failed to Materialize	1	N/A	N/A	7	6	6	19
Deals in Screening	0	N/A	N/A	9	5	7	21
Due Diligence Reviews	0	N/A	N/A	1	0	0	1

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Disclosure of Placement Agent Fees

Asset Class	Firm Name	Fund	Placement Agent Firm	Estimated Placement Agent Compensation	Disclosure Type
No items to report					

## Investment Transactions

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Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

### **Portfolio Summary and Transactions Report:**

- Purchases (Page 17)
- Sales (Page 18)
- Currency Hedge Portfolio Summary (Page 19)
- Currency Hedge Portfolio Transactions (Page 19)

### **Investment Transaction Information: (full reporting is available in the supplemental reporting document)**

- Domestic Fixed Income Transactions
- International Fixed Income Transactions
- Domestic Equity Transactions
- International Equity Transactions
- Real Estate Investment Trust (REIT) Transactions
- AIM Program Transactions
  - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Items Completed Under Delegation of Authority
  - Investment Summaries
    - No items to report
- Real Estate Equity Transactions
  - Summary Listing of Investments and Redemptions
- Real Estate Program Items Completed Under Delegation of Authority
  - Investment Summaries
    - No Items to Report
- Risk Managed Absolute Return Strategies Program Transactions
  - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
  - Dispositions Summaries
    - No items to report
  - Acquisitions Summaries
    - No items to report
- Inflation Linked Assets Transactions
  - Summary Listing of Investments and Redemptions
- Inflation Linked Assets Items Completed Under Delegation of Authority
  - Investment Summaries
    - No Items to Report

## Investment Transactions

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### **Investment Transaction Information (continued):** [\(full reporting is available in the supplemental reporting document\)](#)

- Corporate Governance Program Items Completed Under Delegation of Authority
  - Investment Summaries
    - No items to report
- Manager Development Program – Private Markets Transactions
  - Summary Listing of Investments and Redemptions
- Internally Managed Derivative Transactions Summary
  - Investment Summaries
    - Futures purchases: \$171.0 million notional
    - Futures sales: \$82.8 million notional
    - Swaps: \$0.0 million notional



## Portfolio Transactions Summary

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### INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

November 2010

#### PURCHASES

	<u>COST</u>	<u>%OF PURCHASES</u>
<b><u>EQUITIES:</u></b>		
Domestic	\$611.2	4.47%
International	<u>\$638.7</u>	<u>4.67%</u>
Total	\$1,249.9	9.13%
<b><u>FIXED INCOME:</u></b>		
Domestic	\$9,956.3	72.75%
International	<u>\$1,767.6</u>	<u>12.92%</u>
Total	\$11,723.9	85.67%
<b><u>ALTERNATIVE INVESTMENTS:</u></b>		
Partnership Component	\$429.3	3.14%
<b><u>REAL ESTATE:</u></b>		
Real Estate Equity	\$192.9	1.41%
<b><u>INFLATION LINKED ASSETS:</u></b>		
Inflation Linked	\$89.1	0.65%
<b>TOTAL PURCHASES:</b>	<b><u><u>\$13,685.1</u></u></b>	<b><u><u>100%</u></u></b>

## Portfolio Transactions Summary

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### INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

November 2010

#### SALES

	<u>COST</u>	<u>PROCEEDS</u>	<u>GAIN/ (LOSS)</u>
<b><u>EQUITIES:</u></b>			
Domestic	\$618.4	\$611.1	(\$7.3)
International	<u>\$2,389.2</u>	<u>\$2,477.1</u>	<u>\$87.9</u>
Total	\$3,007.6	\$3,088.2	80.6
<b><u>FIXED INCOME:</u></b>			
Domestic	\$3,888.5	\$3,949.9	\$61.4
International	<u>\$383.8</u>	<u>\$383.9</u>	<u>\$0.1</u>
Total	\$4,272.3	\$4,333.8	\$61.5
<b><u>ALTERNATIVE INVESTMENTS:</u></b>			
Partnership Component	\$519.5	\$519.5	\$0.0
<b><u>REAL ESTATE:</u></b>			
Real Estate Equity	\$66.4	\$66.5	\$0.1
<b><u>INFLATION LINKED ASSETS:</u></b>			
Inflation Linked	\$84.5	\$88.9	\$4.4
<b>TOTAL SALES:</b>	<b><u><u>\$7,950.3</u></u></b>	<b><u><u>\$8,096.9</u></u></b>	<b><u><u>\$146.6</u></u></b>

## Portfolio Transactions Summary

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### CURRENCY HEDGE PORTFOLIO SUMMARY

(\$ Millions)

November 2010

<u>PENDING FX CONTRACTS</u>	<u>COST</u>	<u>MARKET VALUE</u>
Total FX Purchased	\$7,245.0	\$7,084.3
Total FX Sold	\$15,638.4	\$15,298.4

### CURRENCY OPTIONS

Currency Puts	\$50.1	\$50.1
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"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

### CURRENCY HEDGE TRANSACTION SUMMARY

(\$ Millions)

November 2010

<u>PURCHASES</u>	<u>COST</u>
Pending FX Contracts	\$18,810.0
<u>SALES</u>	<u>PROCEEDS</u>
Pending FX Contracts	\$21,673.9

## Affiliate Funds Reports

State Street Bank has compiled the following Affiliate Funds Performance Reports for the periods ending November 30 2010. [\(full reporting is available in the supplemental reporting document\)](#)

### CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2010

Affiliate Funds Monthly Performance Summary - Plan Comparison

RATES OF RETURN - Gross

	MKT VAL \$(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS	10 YRS
<b>CALPERS CERBT FUND</b>	1,496,563	-1.85	8.24	12.69	7.69	9.32	-2.03		
<i>CERBT POLICY INDEX</i>		-1.88	8.07	12.84	7.71	9.06	-2.54		
<b>CALPERS HEALTH CARE BOND FUND</b>	444,369	-0.46	0.60	2.68	8.21	7.40	6.12		
<i>BC AGGREGATE (DAILY)</i>		-0.57	-0.11	2.25	7.70	6.02	6.39		
<b>JUDGE'S RETIREMENT FUND</b>	46,788	0.02	0.08	0.13	0.22	0.24	1.24	2.78	2.58
<i>91 DAY TREASURY BILL ( DAILY)</i>		0.01	0.03	0.06	0.11	0.11	0.88	2.49	2.44
<b>JUDGES II FUND</b>	478,942	-1.62	6.70	11.20	8.82	9.97	-0.99	3.84	4.11
<i>CAL JRS II POLICY INDEX</i>		-1.59	6.69	11.34	8.72	9.26	-0.85	4.00	3.85
<b>LEGISLATOR'S RETIREMENT FUND</b>	119,791	-0.99	4.61	8.20	9.78	9.87	2.64	5.27	5.15
<i>CAL LRS POLICY INDEX (DAILY)</i>		-1.06	4.43	8.14	9.35	8.61	2.35	5.08	5.11
<b>LONG TERM CARE FUND</b>	2,933,689	-1.45	6.29	10.39	9.08	10.12	0.57	4.69	4.32
<i>CAL LTC POLICY INDEX (DAILY)</i>		-1.51	6.14	10.33	8.74	9.30	0.57	4.65	3.96
<b>CONTINGENCY RESERVE FUND</b>	6,101	0.02	0.07	0.12	0.22	0.24	1.24	2.79	2.58
<i>91 DAY TREASURY BILL ( DAILY)</i>		0.01	0.03	0.06	0.11	0.11	0.88	2.49	2.44

## Affiliate Funds Reports

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### CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2010

Affiliate Funds Monthly Performance Summary - Plan Comparison

RATES OF RETURN - Net Mgr

	MKT VAL \$(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS	10 YRS
<b>CALPERS CERBT FUND</b>	1,496,563	-1.85	8.24	12.69	7.69	9.32	-2.03		
<i>CERBT POLICY INDEX</i>		-1.88	8.07	12.84	7.71	9.06	-2.54		
<b>CALPERS HEALTH CARE BOND FUND</b>	444,369	-0.46	0.60	2.68	8.21	7.40	6.12		
<i>BC AGGREGATE (DAILY)</i>		-0.57	-0.11	2.25	7.70	6.02	6.39		
<b>JUDGE'S RETIREMENT FUND</b>	46,788	0.02	0.08	0.13	0.22	0.24	1.24	2.78	2.58
<i>91 DAY TREASURY BILL ( DAILY)</i>		0.01	0.03	0.06	0.11	0.11	0.88	2.49	2.44
<b>JUDGES II FUND</b>	478,942	-1.62	6.70	11.20	8.82	9.97	-0.99	3.84	4.11
<i>CAL JRS II POLICY INDEX</i>		-1.59	6.69	11.34	8.72	9.26	-0.85	4.00	3.85
<b>LEGISLATOR'S RETIREMENT FUND</b>	119,791	-0.99	4.61	8.20	9.78	9.87	2.64	5.27	5.15
<i>CAL LRS POLICY INDEX (DAILY)</i>		-1.06	4.43	8.14	9.35	8.61	2.35	5.08	5.11
<b>LONG TERM CARE FUND</b>	2,933,689	-1.45	6.29	10.39	9.08	10.12	0.57	4.69	4.32
<i>CAL LTC POLICY INDEX (DAILY)</i>		-1.51	6.14	10.33	8.74	9.30	0.57	4.65	3.96
<b>CONTINGENCY RESERVE FUND</b>	6,101	0.02	0.07	0.12	0.22	0.24	1.24	2.79	2.58
<i>91 DAY TREASURY BILL ( DAILY)</i>		0.01	0.03	0.06	0.11	0.11	0.88	2.49	2.44